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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

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September 19, 2006

Kathleen Buescher, President and CEO
Provident Counseling
2650 Olive Street
St. Louis, Missouri 6303

RE: Special Fiscal Monitoring Report of Provident Counseling,
(Project #2007-SLATE 5)

Dear Ms. Buescher:

Enclosed is a report of our special fiscal monitoring review of Provident Counseling Contract #109-06 for the period October 1, 2005 through June 30, 2006. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of Provident Counseling. Our fieldwork was substantially complete on August 11, 2006.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and an agreement with St. Louis Agency on Training and Employment (SLATE) to provide fiscal monitoring to all grant subrecipients. If you have any questions, please contact Charlie Schroeder 589-6089.

Sincerely,

A handwritten signature in cursive script that reads "Sedrick D. Blake".

Sedrick D. Blake, CPA
Internal Audit Executive

cc: Honorable Darlene Green, Comptroller
Edward T. Jones, Director, St. Louis Agency on Training and Employment
Kim Neske, Fiscal Manager, St. Louis Agency on Training and Employment

Enclosure



CITY OF ST. LOUIS

ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)

*PROVIDENT COUNSELING
CONTRACT #109-06*

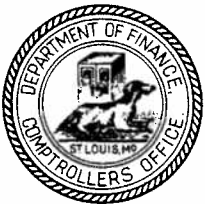
SPECIAL FISCAL MONITORING REVIEW

OCTOBER 1, 2005 THROUGH JUNE 30, 2006

PROJECT #2007-SLATE5

DATE ISSUED: SEPTEMBER 19, 2006

*Prepared by:
The Internal Audit Section*



OFFICE OF THE COMPTROLLER

Honorable Darlene Green, Comptroller

**CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
PROVIDENT COUNSELING
CONTRACT #109-06
SPECIAL FISCAL MONITORING REVIEW
OCTOBER 1, 2005 THROUGH JUNE 30, 2006**

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CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
PROVIDENT COUNSELING
CONTRACT #109-06
SPECIAL FISCAL MONITORING REVIEW
OCTOBER 1, 2005 THROUGH JUNE 30, 2006

INTRODUCTION

Background

Contract Name: Provident Counseling
Contract Number: #109-06
Contract Period: October 1, 2005 through June 30, 2006
Contract Amount: \$85,001.53

The contract provided Workforce Investment Act funds through the St. Louis Agency on Training and Employment (SLATE) to Provident Counseling for the adult worker program. The contract provided reimbursements for each of five activities. The Agency was reimbursed when it completed each activity.

Purpose

The purpose of our review was to determine whether the Agency's actual costs equaled or exceeded the funds SLATE provided for the adult worker program for the period October 1, 2005 through June 30, 2006 and make recommendations for improvements.

Scope and Methodology

We made inquiries regarding Provident Counseling expenditures relating to the grant administered by SLATE, tested evidence supporting the reports the agency submitted to SLATE and performed other procedures considered necessary. Our fieldwork was substantially complete on August 11, 2006. Management's response was received on September 14, 2006 and incorporated into the report.

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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

The Agency's expenditures to operate the adult worker program exceeded the reimbursements received from SLATE. The expenditures included the gross pay for three individuals, which totaled \$55,906. The Agency requested \$34,694 in reimbursements from SLATE. The Agency's expenditures for gross pay alone exceeded the amount reimbursed by \$21,212. The Agency's original budget presented to SLATE included gross pay and fringe benefits only. In addition, it did not include operating expenses. These expenses would only add to the excess.

The Agency's time reports did not identify the time spent for each of the five activities identified in the contract. Therefore, we could not determine the actual time expended for each category. However, based on the original budgeted time, the expenditure per category exceeded the amount reimbursed in four out of the five activities.

Activity	Actual Cost of Gross Pay	Units of Service Provided	Rate/ Actual Cost	Contracted Rate	Variance (under) over	Reimbursement by Activity
Recruitment	9,217.71	29	317.85	354.05	(36.20)	10,267.45
Short Term Services	21,108.74	27	781.81	625.09	156.72	16,877.43
Job Development/Placement	17,708.32	9	1,967.59	703.13	1,264.46	6,328.17
Follow up 30 Days	3,935.44	7	562.21	135.71	426.50	949.97
Follow up 90 days	3,935.44	2	1,967.72	135.71	1,832.01	271.42
	<u>\$ 55,905.66</u>					<u>\$ 34,694.44</u>

Summary of Current Observation

The Agency did not maintain time reports showing actual time spent on each activity because reimbursements were based on per performance contracted rates. This made it impossible to ascertain the actual amount of time spent on each activity.

Recommendation

If the Agency is awarded an adult worker contract in the future, it should confirm with SLATE how time spent on each activity needs to be recorded.

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Management's Response

Although the staff worked 100% of their time on the SLATE contract, they did not maintain detail time sheets for the contract by the following areas of service:

*Recruitment
Short Term Services
Job Placement Services
30 Day Follow-Up
90 Day Follow-Up*

For future contracts, Provident agrees to maintain time sheets to the level specified in the SLATE contract. Provident will obtain additional clarification from SLATE regarding all reporting requirements.